



Mr Gareth Price
Clerk, Finance Committee
National Assembly for Wales

4 October 2012

Dear Gareth

Assembly Commission Draft Budget 2013–14

Thank you for your letter of 3 October requesting additional information for the Finance Committee, which I am pleased to provide.

ICT Investment

We are able to answer points 1 and 2 in the Committee's letter, as follows:

1) How will you ensure any new system is not over specified?

Any plan for a new ICT solution, or an upgrade to an existing system has to be accompanied by a clear statement of the users' requirements, which in turn have to be consistent with the Commission's stated priorities. The users' requirements are validated from a number of view-points: technical, financial, commercial, legal and not least business priority. The aim of this governance process is to ensure that the solution is fit-for-purpose, delivers the user requirements and is value for money. Where a solution is to be delivered by a third party, the proposed supplier specification is validated against the user requirement, to ensure the Commission will receive a solution that meets its needs.

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Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

2) *Why can't we use a Members portal on the main Internet site to access emails?*

There are a number of portals already available to Members and staff, which provide access to email and applications. Where Members are provided with laptop computers, for example, links to these portals are provided on the desktop.

Our Director of ICT, Dave Tosh, is seeking a meeting with Mike Hedges AM in order to better understand the remaining points raised. I will write again with the outcome of that meeting.

How we ensure equalities in our contracts

Equality is one of our statutory principles under the 2006 Act and we take every opportunity to champion equal opportunities during the procurement process.

Supplier Selection

Our Pre-qualification questionnaires, which we use to shortlist companies to invite to tender has a section on Equal Opportunities, asks whether a company has had:

- A finding of unlawful discrimination by an employment tribunal;
- An investigation by the Equality and Human Rights Commission; or
- A finding of unlawful discrimination against anyone with protected characteristics by a civil or criminal court.

Companies who have a poor track record of discrimination are not invited to tender.

Contract Terms and Conditions

All our contracts have an Equalities Considerations clause written into them, making it a contractual obligation. The clause is set out below.

14 Equalities Considerations

- 14.1 We are an equal opportunities employer and service provider. You must also be an equal opportunities employer and service provider and comply fully with equal opportunities legislation.

- 14.2 You will ensure that you do not discriminate against anyone unlawfully, or treat anyone unfairly, on the grounds of their sex, racial group (including colour, race, nationality, national or ethnic origin), disability, sexual orientation, religion, gender identity, age, trade union membership/non-membership/activities or marital, family or part-time status. You will also make sure that anyone acting on your behalf, your employees and sub-contractors involved in the Contract do not do so either, and that those involved in the management or operation of the Contract receive appropriate training on equal opportunities legislation and associated good practice.
- 14.3 You should carry out appropriate monitoring of your equal opportunities policies and employment practices and provide us with evidence of this, if we ask.
- 14.4 You will take all reasonable steps to ensure that all goods supplied under this Contract are produced in accordance with the employment legislation of, and all International Labour Organisation (ILO) conventions that have been ratified by, the country of their origin, in particular in relation to working conditions and the use of child labour.
- 14.5 Should part or all of the Services be performed at your premises, you will ensure that the premises complies fully with the requirements of the Equality Act 2010.

Championing Equal Opportunities

We reinforce this message in our dealings with suppliers. An example where we have done this recently is the HR/Payroll project where Equal Opportunities was a discussion topic. We shared our values and told the contractors that our expectation was that they too must be equal opportunities employers.

Equality issues also figure in “sustainability risk assessments” which we are introducing into our procurement process. These will go a long way to ensuring that we take a consistent approach on all sustainability issues in our contracts.

For those contracts where the market for the provision of the service is likely to involve people who may be on or close to the minimum wage e.g. cleaning and catering, we require suppliers to pay a “living wage” which is based on minimum wage plus 15%. This is written into the contracts. On this basis, all of our contracted catering and cleaning staff are currently paid at least £7.00 an hour and as of 1st October 2012 this increased to £7.12 an hour in line with the minimum wage being increased to £6.19 an hour. This has been confirmed by our contractors. We are mindful of the Welsh Government’s consideration of a living wage for Wales and we will keep a close eye on developments.

We do not at present promote the recognition of trade unions through our contracts though our terms and conditions include the provision that tenderers must not “discriminate against anyone, or treat anyone unfairly, on the grounds of.... [amongst other things] trade union membership”.

As we change from a devolved procurement operation to one with more central control, under our seconded Head of Procurement, it will be easier for us to adopt a consistent approach to contract management, with regular review meetings and scrutiny of supply chain activities, which will ensure equalities obligations are delivered through our contracts.

The Commission’s Value for Money Programme

The Value for Money (VfM) Programme links to the Commission’s budget and financial management arrangements and forms part of the wider governance and internal control framework that, amongst other things, seeks to ensure:

- achievement of the strategic goals of the Commission;
- proper stewardship of public funds, for which I, as Accounting Officer, am personally responsible;
- that the right balance is achieved between economy (lowest cost), efficiency (best ways of working) and effectiveness (meeting the Assembly’s needs).

The Programme has three main themes:

1. Simplifying processes and how we work in order to maximise the effectiveness of Assembly services and make even better use of resources;
2. Maximising the benefits and cost savings from procurement and robust contract management;
3. Improving management information to better understand Assembly services’ activity, costs and what drives those costs.

In 2011–12 we achieved savings of £0.65m in staff costs and a further £0.38m from operational activities.

The Commission’s budget for the current year, 2012–13, included estimates of £0.4m of recurring savings and £0.5m of in-year savings, for example, through vacancy management. We are on track to achieve these.

The specific procurement and contract negotiations that I mentioned to the Committee delivered the following savings:

- catering contract £10k per annum;
- payroll service contract £5k per annum;

- maintenance contract of £30k per annum;
- window cleaning contract £5k per annum;
- change to café and shop operation £30k per annum.

The Draft Budget for 2013–14 commits to £0.5m of savings to be achieved during the course of the year.

We have engaged our internal auditors, KPMG, to help us further progress our VfM Programme implementation. It is not just about achieving cash savings, it is also about improving service provision through making more effective use of available resources. Areas that we have already tackled include, for example, simplification of administrative processes under the new facilities contract and improved handling of event bookings by our Front of House team.

I will write again as soon as I have further information on the ICT queries. In the meantime, if you need any further information please do not hesitate to ask.

Yours sincerely

Claire Clancy

**Prif Weithredwr a Chlerc/Chief Executive and Clerk
Cynulliad Cenedlaethol Cymru/National Assembly for Wales**